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LOK SABHA

The following report of the Joint Committee on the Bill to provide for the regulation of mines and the development of minerals under the control of the Union was presented to Lok Sabha on the 16th December, 1957:—

Composition of the Joint Committee

Lok Sabha

Shri C. R. Pattabhi Raman—*Chairman*

MEMBERS

2. Shri T. N. Viswanatha Reddy
3. Shri Liladhar Kotoki
4. Shri Ghanshyamlal Oza
5. Shri P. C. Bose
6. Shri Vidya Charan Shukla
7. Shri H. C. Heda
8. Shri K. G. Wodeyar
9. Dr. N. C. Samantsinhar
10. Shri Hem Raj
11. Shri Jaswantraj Mehta
12. Shri Keshava Deva Malaviya
13. Shri Rup Narain

14. Shri Arun Chandra Guha
15. Shri Bibhuti Bhushan Das Gupta
16. Shri T. B. Vittal Rao
17. Shri Khushwaqt Rai
18. Shri Ignace Beck
19. Shri Shankarrao Khanderao Dige
20. Sardar Swaran Singh

Rajya Sabha

21. Shri Amolakh Chand
22. Shri Akbar Ali Khan
23. Shri J. N. Kaushal
24. Shrimati Sharda Bhargava
25. Shri Ram Gopal Agarwal
26. Shri R. K. Malviya
27. Shri Maheswar Naik
28. Shri J. V. K. Vallabharao
29. Shri Kishen Chand
30. Shri T. Bhaskara Rao.

DRAFTSMEN

Shri G. R. Rajagopaul, *Additional Secretary and Chief Draftsman, Ministry of Law.*

Shri S. K. Hiranandani, *Additional Draftsman, Ministry of Law.*

SECRETARIAT

Shri A. L. Rai—*Under Secretary.*

Report of the Joint Committee

I, the Chairman of the Joint Committee to which the *Bill to provide for the regulation of mines and the development of minerals under the control of the Union was referred, having been authorised to submit the report on their behalf, present this their Report, with the Bill as amended by the Committee annexed thereto.

2. The Bill was introduced in the Lok Sabha on the 29th July, 1957. The motion for reference of the Bill to a Joint Committee of the Houses was moved by Shri Keshava Deva Malaviya on the 13th November, 1957 and was discussed in the Lok Sabha and adopted on the same day.

3. The Rajya Sabha discussed and concurred in the said motion on the 19th November, 1957.

4. The message from the Rajya Sabha was read out in the Lok Sabha on the 21st November, 1957.

5. The Committee held ten sittings in all.

6. The first sitting of the Committee was held on the 25th November, 1957 to draw up a programme of work.

7. The Committee at their second, third and fourth sittings held on the 30th November, 3rd and 4th December, 1957, respectively had a general discussion on the provisions of the Bill.

8. The Committee considered the Bill clause by clause at their sittings held from 4th to 9th December, 1957.

9. One Memorandum from Messrs. Bokaro and Ramgur Ltd., Calcutta and others on the Bill was received by the Committee and was circulated to the members.

10. The Report of the Committee was to be presented by the 9th December, 1957. The Committee were granted extension of time by the Lok Sabha on the 9th December, 1957 upto the 16th December, 1957.

11. The Committee considered and adopted the Report on the 13th December, 1957.

*Published in Part II, Section 2 of the Gazette of India, Extra-ordinary, dated the 29th July, 1957.

12. The observations of the Committee with regard to the principal changes proposed in the Bill are detailed in the succeeding paragraphs.

13. *Clause 3.—Item (a).*—The Committee feel that the exclusion of minor minerals from the definition may have the effect of excluding them from the declaration under clause 2.

Accordingly the words "and minor minerals" have been omitted in this item.

Item (e).—The Committee feel that sand used for industrial purposes particularly in the manufacture of glass should not be treated as a minor mineral. It is not possible to define this kind of sand in technical and scientific terms. The Committee therefore consider that rules may describe such sand with reference to the purpose for which it may be used.

The definition has been amended accordingly.

14. *Clause 4.*—A proviso has been added to sub-clause (1) to save prospecting and mining operations undertaken in pursuance of prospecting licence and mining lease granted before the commencement of this Act.

15. *Clause 5.*—The Committee feel that in addition to other conditions provided in the original clause 5, a person should also possess an income-tax clearance certificate before he can obtain a prospecting licence or mining lease.

Sub-clause (1) has been redrafted accordingly.

16. *Clause 7.*—The words "for the manufacture of aluminium" after the word "bauxite" are unnecessary and should be omitted.

The Committee feel that provision should be made for the renewal of prospecting licences at the discretion of the State Government if circumstances so require, but such power should be exercised only with the previous approval of the Central Government in the case of minerals specified in the First Schedule. Clause 7 has been recast accordingly.

17. *Clause 8.*—The Committee feel that provision should be made for the renewal of mining leases at the discretion of the Central Government if in the interests of mineral development it is necessary so to do. The Committee further feel that a renewal in respect of a mineral specified in the First Schedule should be only with the previous approval of the Central Government. Clause 8 has been recast accordingly.

18. *Clause 9.*—The Committee feel that the rates of royalty laid down in the Second Schedule should also apply to minerals mined by holders of mining leases granted before the commencement of this Act, including those granted before 1949.

The Committee further feel that the restriction imposed on the power of the Central Government to alter the rate of royalty under item (b) of the proviso to sub-clause (2) should apply only where the royalty is enhanced and that the period of two years specified in that item should be increased to four years.

The clause has been amended accordingly.

19. *Clause 10.*—The Committee feel that since the date of receipt of application decides the orders of priority, an acknowledgement of the receipt of the application should be sent at once to the applicant. However as it is not possible to provide for various types of cases of applications (e.g. application sent by post) in the statute itself the matter is left to be regulated by rules.

Sub-clause (2) has been amended accordingly.

The Committee recommend that provision should be made in the rules for immediate acknowledgement of applications on their receipt and where application is given in person, acknowledgement may be given forthwith to the person presenting it.

20 *Clause 11.*—In the proviso to sub-clause (2) the words "and after obtaining the previous approval of the Central Government" have been omitted as the Committee think that in such cases the State Government should have the power. An aggrieved party can move the Central Government in revision under the new clause 30.

21. *Clause 13.*—Amendment made in the clause is of a consequential nature.

22. *Clause 14 (new clause).*—Under clause 15 (original clause 14) the State Governments are empowered to make rules for regulating the grant of prospecting licences and mining leases in respect of minor minerals.

The Committee therefore feel that it should be specifically provided that the procedure laid down in clauses 4 to 13 shall not apply to minor minerals.

23. *Clause 16 (original clause 15).*—The Committee have given careful thought to this clause and feel that a mandatory provision should be made to the effect that all mining leases granted prior to the 25th day of October, 1949, shall be brought into conformity with the provisions of this Act and the rules framed thereunder.

The Committee however feel that the Central Government should have power in exceptional cases in the public interest to permit the holder of a mining lease to hold the lease for an area in excess of that specified in clause 6(1) (b) or for a period exceeding that specified in clause 8(1).

The other amendments are of a drafting nature.

The clause has been revised accordingly.

24. *Clause 17 (original clause 16).*—The Committee feel that the terms and conditions subject to which prospecting or mining operations may be carried on by the Central Government should be the same as are applicable to the case of a private person, and that nothing should be left to be agreed upon between the Central Government and the State Government.

The clause has been amended accordingly.

25. *Clause 28 (original clause 27).*—The Committee feel that all notifications issued by the Central Government should also be laid before Parliament.

26. *Clause 29 (new clause).*—The Committee feel that until new rules are made a provision should be made for the continuance of the existing Rules framed under the Mines and Minerals (Regulation and Development) Act, 1948.

27. *Clause 30 (new clause).*—The Committee feel that the Central Government should have the power to revise any order passed by a State Government or an authority subordinate to the State Government either on its own motion or on an application made by an aggrieved party.

28. *Clause 31 (original clause 28).*—The clause has been recast so as to restrict the application of the provisions of this Act to rules made under clause 13.

29. *(Original clause 29).*—The clause has been omitted, as the only provision which should limit the Government are the technical rules made under clause 18 (original clause 17) and a provision to that effect has been made in that clause.

30. The Joint Committee recommend that the Bill as amended be passed.

C. R. PATTABHI RAMAN,
Chairman,

NEW DELHI;

Joint Committee.

The 14th December, 1957.

MINUTES OF DISSENT

I

I regret that no provision has been made by the Joint Committee in the Bill for making a compulsory provision in the mining leases for providing necessary amenities to labour in the mines. It was stated that such a provision in the Bill was not necessary as there were relevant statutes providing for amenities for labour and that this legislation would usurp the jurisdiction of the Labour Ministry. The experience has, however, shown that the lessees generally do not provide even the minimum amenities to labour at the initial stage on the plea that they were not bound to provide them under the terms of the lease. The result has been that for many years after the start of mining operations they have to undergo immense suffering due to lack of necessary housing and water supply facilities. My personal inspection of Labour Colonies throughout the country confirms the view that the living conditions of Labour in the majority of mines are very poor even after decades of existence of the establishment.

For the past about ten years the Government through the Coal Mines Labour Welfare Fund have been exerting their utmost to persuade the private employers in Coal Industry to construct houses for labourers on subsidy and subsidy cum loan basis. Such efforts have met with failure. Ultimately they were compelled to take the decision to construct houses entirely out of the fund. I have no doubt in my mind under the circumstances that immediately after acquiring the lease the employer would come forward with demand for construction of labour houses from the very initial stage, as now he stands under no obligation, and the Government would be faced with immense difficulty.

The Labour Welfare Fund exists for Mica industry, and the Manganese industry will also have this fund soon. The Constitution of the Labour Welfare Fund for other minerals will have to follow suit. And I have no doubt these funds will have to undertake construction of Labour housing. It is impossible for any such Welfare Fund to provide houses or even temporary accommodation at the start of the industry. The Government does make provision for initial facilities like temporary accommodation in hutments etc.,

water supply and proper medical aid before starting any mining operation or industry. These initial facilities are generally lacking in the case of a private lessee and the labour has to undergo immense sufferings. We have to guard against such attitude of the private employer as also to check undesirable persons from obtaining leases. I submit that rules should lay down the minimum standards of facilities to be provided to the labour at the very start of the mining operations and to incorporate them in the prospecting licence and the mining lease.

There is no likelihood of any duplication or over-riding the jurisdiction of the Ministry of Labour. At worst it may be an overlapping safeguard. Even if it were so it is necessary to protect the interests of the labour and the industry as a whole and I feel that a provision as suggested above should be made.

NEW DELHI;

R. K. MALVIYA

The 14th December, 1957.

II

I regret to record that I am not able to agree with the majority view of the Joint Committee.

The development of the Mines and Minerals is of vital importance in the economic life of India. It depends, on the mineral policy of the State.

The Government of India, in the Industrial Policy Resolution, 1956, has declared clearly, its objective in the following words,—“It is *urgent* to reduce disparities in income and wealth which exist to-day, to prevent private monopolies and the concentration of economic power in different fields in the hands of small number of individuals.” And to materialize this the policy enunciated has been “all industries of basic and strategic importance or in the nature of public utility services should be in the public sector. Other industries which are essential and require investment on a scale which only the State in present circumstances could provide have also to be in the public sector”.

The present Bill as such cannot help to achieve the objective as declared. I need not go into details. One has only to examine the clauses to realise this.

There is an important thing to be taken into consideration which should have been the guiding factor of this Bill—the prevention of private monopolies and the concentration of economic

power. To achieve this, there should be, on one hand main stress on the public sector and in case of private sector—there should be definite restrictions and limitations, so that there cannot be any scope for monopoly or the concentration of economic power. Clauses have been inserted in the Bill imposing restriction no doubt, but at the same time wide relaxation also has been provided, almost in every case by a subsequent proviso or a sub clause, which can nullify the provision of the main clause.

I specifically take exception to the clause 31. Clause 28 of the original draft had practically abrogated the whole Bill. It has been amended a bit and inserted as clause 31. It now gives power to the Central Government to disregard all the rules made under clause 13 which practically covers the entire sphere of the Bill.

Finally I would like to mention that this Bill lacks firm stand which is essential in the present situation. An unsuccessful attempt to adjust the interest of the private monopolies to the declared "Industrial Policy" is apparent. As a result it has not been able to do justice to any of them and consequently the character of the mining laws and regulations as proposed has been dubious.

BIBHUTI BHUSHAN DAS GUPTA

NEW DELHI;

The 14th December, 1957.

III

I agree with the Report. But I think that the necessary protection clause has not been inserted for the protection of the village artisans, who eke out their livelihood by taking out gold and silver particles from the sands of river beds or the blacksmiths who work out the small patches of iron ore or coal in the hills for the manufacture of implements of husbandry. Working of these minerals by them may attract the provisions of clauses 4 and 20 of the Bill. Therefore an explanation should be added to these clauses for exempting their working or some rules to this effect be framed under clause 20 of the Bill.

HEM RAJ

NEW DELHI;

The 14th December, 1957.

THE MINES AND MINERALS (REGULATION AND DEVELOPMENT) BILL, 1957

ARRANGEMENT OF CLAUSES

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CLAUSES

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2. Declaration as to expediency of Union control.
3. Definitions.

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5. Restrictions on the grant of prospecting licences or mining leases.
6. Maximum area for which a prospecting licence or mining lease may be granted.
7. Periods for which prospecting licences may be granted or renewed.
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10. Application for prospecting licences or mining leases.
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15. Power of State Governments to make rules in respect of minor minerals.

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18. Mineral development.

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19. Prospecting licences and mining leases to be void if in contravention of Act.
20. Act and rules to apply to all renewals of prospecting licences and mining leases.
21. Penalties.
22. Cognizance of offences.
23. Offences by companies.
24. Power of entry and inspection.
25. Recovery of certain sums as arrears of land revenue.
26. Delegation of powers.
27. Protection of action taken in good faith
28. Rules and notifications to be laid before Parliament and certain rules to be approved by Parliament.
29. Existing rules to continue.
30. Power of revision of Central Government.
31. Relaxation of rules in special cases.
32. Amendments to Act 53 of 1948.
33. Validation of certain acts and indemnity.

THE FIRST SCHEDULE.—SPECIFIED MINERALS.

THE SECOND SCHEDULE.—RATES OF ROYALTY.

THE THIRD SCHEDULE.—AMENDMENTS TO THE MINES AND MINERALS (REGULATION AND DEVELOPMENT) ACT, 1948.

Bill No. 49B of 1957

THE MINES AND MINERALS (REGULATION AND
DEVELOPMENT) BILL, 1957

(AS AMENDED BY THE JOINT COMMITTEE)

*(Words underlined or side-lined indicate the amendments suggested
by the Committee; asterisks indicate omissions)*

A

BILL

*to provide for the regulation of mines and the development of
minerals under the control of the Union.*

Be it enacted by Parliament in the Eighth Year of the Republic
of India as follows:—

PRELIMINARY

1. (1) This Act may be called the Mines and Minerals (Regulation and Development) Act, 1957. Short title,
extent and
commencement.

(2) It extends to the whole of India.

(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. It is hereby declared that it is expedient in the public interest Declaration
to expedite
Union
control.
that the Union should take under its control the regulation of mines and the development of minerals to the extent hereinafter provided.

Definitions.

3. In this Act, unless the context otherwise requires,—

- (a) "minerals" includes all minerals except mineral oils * *;
- (b) "mineral oils" includes natural gas and petroleum;
- (c) "mining lease" means a lease granted for the purpose of undertaking mining operations, and includes a sub-lease granted for such purpose;
- (d) "mining operations" means any operations undertaken for the purpose of winning any mineral;
- (e) "minor minerals" means building stones, gravel, ordinary clay, ordinary sand other than sand used for prescribed purposes, and any other mineral which the Central Government may, by notification in the Official Gazette, declare to be a minor mineral;
- (f) "prescribed" means prescribed by rules made under this Act;
- (g) "prospecting licence" means a licence granted for the purpose of undertaking prospecting operations;
- (h) "prospecting operations" means any operations undertaken for the purpose of exploring, locating or proving mineral deposits; and
- (i) the expressions, "mine" and "owner", have the meanings assigned to them in the Mines Act, 1952.

35 of 1952.

GENERAL RESTRICTIONS ON UNDERTAKING PROSPECTING AND MINING OPERATIONS

25

Prospect-
ing or
mining
operations
to be
under
licence or
lease.

4. (1) No person shall undertake any prospecting or mining operations in any area, except under and in accordance with the terms and conditions of a prospecting licence or, as the case may be, a mining lease, granted under this Act and the rules made thereunder:

Provided that nothing in this sub-section shall affect any prospecting or mining operations undertaken in any area in accordance with the terms and conditions of a prospecting licence or mining lease granted before the commencement of this Act which is in force at such commencement.

(2) No prospecting licence or mining lease shall be granted otherwise than in accordance with the provisions of this Act and the rules made thereunder.

5. (1) No prospecting licence or mining lease shall be granted by a State Government to any person unless he—

(a) holds a certificate of approval in the prescribed form from the State Government;

5 (b) produces from the Income-tax Officer concerned an income-tax clearance certificate in the prescribed form; and

(c) satisfies such other conditions as may be prescribed.

Explanation.—For the purposes of this sub-section, a person shall be deemed to hold a certificate of approval notwithstanding that at 10 the relevant time his certificate of approval has expired if an application for its renewal is pending at that time.

(2) Except with the previous approval of the Central Government, no prospecting licence or mining lease shall be granted—

15 (a) as respects any mineral specified in the First Schedule, or

(b) to any person who is not an Indian national.

Explanation.—For the purposes of this sub-section, a person shall be deemed to be an Indian national—

20 (a) in the case of a public company as defined in the Companies Act, 1956, only if a majority of the directors of the company are citizens of India and not less than fifty-one per cent. of the share capital thereof is held by persons who are either citizens of India or companies as defined in the said Act;

25 (b) in the case of a private company as defined in the said Act, only if all the members of the company are citizens of India;

(c) in the case of a firm or other association of individuals, only if all the partners of the firm or members of the association are citizens of India; and

30 (d) in the case of an individual, only if he is a citizen of India.

6. (1) No person shall acquire in any one State in respect of any mineral or prescribed group of associated minerals—

35 (a) one or more prospecting licences covering a total area of more than fifty square miles; or

(b) one or more mining leases covering a total area of more than ten square miles.

Restrictions on the grant of prospecting licences or mining leases.

I of 1956.

Maximum area for which a prospecting licence or mining lease may be granted.

Provided that if the Central Government is of opinion that in the interests of mineral development it is necessary so to do, it may, for reasons to be recorded, permit any person to acquire one or more prospecting licences or mining leases covering an area in excess of the aforesaid maximum. 5

(2) For the purposes of this section, a person acquiring by, or in the name of, another person a prospecting licence or mining lease which is intended for himself shall be deemed to be acquiring it himself.

Periods for which prospecting licences may be granted or renewed.

7. (1) The period for which a prospecting licence may be granted shall not— 10

(a) in the case of mica, exceed one year; and

(b) in the case of any other mineral, exceed two years.

(2) A prospecting licence may be renewed for one or more periods each not exceeding the period for which the prospecting licence was originally granted if the State Government is satisfied that a longer period is required to enable the licensee to complete prospecting operations: 15

Provided that no prospecting licence granted in respect of a mineral specified in the First Schedule shall be renewed except with the previous approval of the Central Government. 20

Periods for which mining leases may be granted or renewed.

8. (1) The period for which a mining lease may be granted shall not—

(a) in the case of coal, iron ore or bauxite, exceed thirty years; and 25

(b) in the case of any other mineral, exceed twenty years.

(2) A mining lease may be renewed—

(a) in the case of coal, iron ore or bauxite, for one period not exceeding thirty years; and

(b) in the case of any other mineral, for one period not exceeding twenty years: 30

Provided that no mining lease granted in respect of a mineral specified in the First Schedule shall be renewed except with the previous approval of the Central Government.

(3) Notwithstanding anything contained in sub-section (2), if the Central Government is of opinion that in the interests of mineral development it is necessary so to do, it may, for reasons to be recorded, authorise the renewal of a mining lease for a further period or 5 periods not exceeding in each case the period for which the mining lease was originally granted.

9. (1) The holder of a mining lease granted before the commencement of this Act shall, notwithstanding anything contained in the instrument of lease or in any law in force at such commencement, pay royalties in respect of any mineral removed by him from the leased area after such commencement, at the rate for the time being specified in the Second Schedule in respect of that mineral.

(2) The holder of a mining lease granted on or after the commencement of this Act shall pay royalty in respect of any mineral removed by him from the leased area at the rate for the time being specified in the Second Schedule in respect of that mineral.

(3) The Central Government may, by notification in the Official Gazette, amend the Second Schedule so as to enhance or reduce the rate at which royalty shall be payable in respect of any mineral with 20 effect from such date as may be specified in the notification:

Provided that the Central Government shall not—

(a) fix the rate of royalty in respect of any mineral so as to exceed twenty per cent. of the sale price of the mineral at the pit's head, or

25 (b) enhance the rate of royalty in respect of any mineral more than once during any period of four years.

**PROCEDURE FOR OBTAINING PROSPECTING LICENCES OR MINING LEASES IN
RESPECT OF LAND IN WHICH THE MINERALS VEST IN THE GOVERN-
MENT**

30 10. (1) An application for a prospecting licence or a mining lease in respect of any land in which the minerals vest in the Government shall be made to the State Government concerned in the prescribed form and shall be accompanied by the prescribed fee.

Application for prospecting licences or mining leases.

(2) Where an application is received under sub-section (1), there shall be sent to the applicant an acknowledgment of its receipt within the prescribed time and in the prescribed form.

(3) On receipt of an application under this section, the State Government may, having regard to the provisions of this Act and any rules made thereunder, grant or refuse to grant the licence or lease. ⁵

Preferential right of certain persons.

11. (1) Where a prospecting licence has been granted in respect of any land, the licensee shall have a preferential right for obtaining ¹⁰ a mining lease in respect of that land over any other person:

Provided that the State Government is satisfied that the licensee has not committed any breach of the terms and conditions of the prospecting licence and is otherwise a fit person for being granted the mining lease.

(2) Subject to the provisions of sub-section (1), where two or ¹⁵ more persons have applied for a prospecting licence or a mining lease in respect of the same land, the applicant whose application was received earlier shall have a preferential right for the grant of the licence or lease, as the case may be, over an applicant whose application ²⁰ was received later:

Provided that where any such applications are received on the same day, the State Government, after taking into consideration the matters specified in sub-section (3), * * * * * may grant the prospecting licence or mining lease, as the case may be, ²⁵ to such one of the applicants as it may deem fit.

(3) The matters referred to in sub-section (2) are the following:

(a) any special knowledge of, or experience in, prospecting operations or mining operations, as the case may be, possessed by the applicant; ³⁰

(b) the financial resources of the applicant;

(c) the nature and quality of the technical staff employed or to be employed by the applicant;

(d) such other matters as may be prescribed.

(4) Notwithstanding anything contained in sub-section (2) but ³⁵ subject to the provisions of sub-section (1), the State Government

may for any special reasons to be recorded and with the previous approval of the Central Government, grant a prospecting licence or a mining lease to an applicant whose application was received later in preference to an applicant whose application was received earlier.

Registers
of pros-
pecting
licences
and
mining
leases.

12. (1) The State Government shall cause to be maintained in 5 the prescribed form—

- (a) a register of applications for prospecting licences;
- (b) a register of prospecting licensees;
- (c) a register of applications for mining leases; and
- (d) a register of mining lessees;

10

in each of which shall be entered such particulars as may be prescribed.

(2) Every such register shall be open to inspection by any person holding a certificate of approval from the State Government or by an authorised agent of such person, on payment of such fee ¹⁵ as the State Government may fix.

**RULES FOR REGULATING THE GRANT OF PROSPECTING LICENCES AND
MINING LEASES**

Power of
Central Gov-
ernment to
make rules
in respect of
minerals.

13. (1) The Central Government may, by notification in the Official Gazette, make rules for regulating the grant of prospecting licences and mining leases in respect of minerals ²⁰ * * * * and for purposes connected therewith.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:— ²⁵

- (a) the person by whom, and the manner in which, applications for prospecting licences or mining leases in respect of land in which the minerals vest in the Government may be made and the fees to be paid therefor;
- (b) the time within which, and the form in which, acknowledgement of the receipt of any such application may be sent;
- (c) the matters which may be considered where applications in respect of the same land are received on the same day;
- (d) the persons to whom certificates of approval may be granted, the form of such certificates and the fees payable for ³⁰ the grant, or renewal thereof;
- (e) the authority by which prospecting licences or mining leases in respect of land in which the minerals vest in the Government may be granted;

(f) the procedure for obtaining a prospecting licence or a mining lease in respect of any land in which the minerals vest in a person other than the Government and the terms on which, and the conditions subject to which, such a licence or lease may be granted or renewed;

(g) the terms on which, and the conditions subject to which, a prospecting licence or a mining lease may be granted or renewed;

(h) the facilities to be afforded by holders of mining leases to persons deputed by the Government for the purpose of undertaking research or training in matters relating to mining operations;

(i) the fixing and collection of dead rent, fines, fees or other charges and the collection of royalties in respect of--

(i) prospecting licences,

(ii) mining leases,

(iii) minerals mined, quarried, excavated or collected;

(j) the manner in which rights of third parties may be protected (whether by payment of compensation or otherwise) in cases where any such party may be prejudicially affected by reason of any prospecting or mining operations;

(k) the grouping of associated minerals for the purposes of section 6;

(l) the manner in which, and the conditions subject to which, a prospecting licence or a mining lease may be transferred;

(m) the construction, maintenance and use of roads, power transmission lines, tramways, railways, aerial ropeways, pipelines and the making of passages for water for mining purposes on any land comprised in a mining lease;

(n) the form of registers to be maintained under this Act;

(o) the disposal or discharge of any tailings, slime or other waste products arising from any mining or metallurgical operations carried out in a mine;

(p) the reports and statements to be submitted by holders of prospecting licences or owners of mines and the authority to which such reports and statements shall be submitted; *

(q) * * the period within which applications for revision of any order passed by a State Government or other authority in exercise of any power conferred by or under this Act, may be made and the manner in which such applications shall be disposed of; and

(r) any other matter which is to be, or may be, prescribed under this Act.

14. The provisions of sections 4 to 13 (inclusive) shall not apply to prospecting licences and mining leases in respect of minor minerals.

Sections 4 to 13 not to apply to minor minerals.

15. (1) The State Government may, by notification in the Official Gazette, make rules for regulating the grant of prospecting licences and mining leases in respect of minor minerals and for purposes connected therewith.

Power of State Governments to make rules in respect of minor minerals.

16. (2) Until rules are made under sub-section (1), any rules made by a State Government regulating the grant of prospecting licences and mining leases in respect of minor minerals which are in force immediately before the commencement of this Act shall continue in force.

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* * * *

16. (1) All mining leases granted before the 25th day of October, 1949, shall, as soon as may be after the commencement of this Act, be brought into conformity with the provisions of this Act and the rules made under sections 13 and 18:

Power to modify mining leases granted before 25th October, 1949.

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Provided that if the Central Government is of opinion that in the interests of mineral development it is expedient so to do, it may, for reasons to be recorded, permit any person to hold one or more such mining leases covering in any one State a total area in excess of that specified in clause (b) of section 6 or for a period exceeding that specified in sub-section (1) of section 8.

(2) The Central Government may, by notification in the Official Gazette, make rules for the purpose of giving effect to the provisions of sub-section (1) and in particular such rules shall provide—

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(a) for giving previous notice of the modification or alteration proposed to be made in any existing mining lease to the lessee and where the lessor is not the Central Government, also to the lessor and for affording him an opportunity of showing cause against the proposal;

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(b) for the payment of compensation to the lessee in respect of the reduction of any area covered by the existing mining lease; and

(c) for the principles on which, the manner in which, and the authority by which, the said compensation shall be determined.

SPECIAL POWERS OF CENTRAL GOVERNMENT TO UNDERTAKE PROSPECTING OR MINING OPERATIONS IN CERTAIN CASES

Special powers of Central Government to undertake prospecting or mining operations in certain lands.

17. (1) The provisions of this section shall apply only in respect of land in which the minerals vest in the Government of a State.

(2) Notwithstanding anything contained in this Act, the Central Government, after consultation with the State Government, may undertake prospecting or mining operations in any area not already held under any prospecting licence or mining lease, and where it proposes to do so, it shall, by notification in the Official Gazette,—

(a) specify the boundaries of such area;

(b) state whether prospecting or mining operations will be carried out in the area; and

(c) specify the mineral or minerals in respect of which such operations will be carried out.

(3) Where, in exercise of the powers conferred by sub-section (2), the Central Government undertakes prospecting or mining operations in any area, the Central Government shall be liable to pay prospecting fee, royalty, surface rent or dead rent, as the case may be, at the same rate at which it would have been payable under this Act, if such prospecting or mining operations had been undertaken by a private person under a prospecting licence or mining lease.

(4) The Central Government, with a view to enabling it to exercise the powers conferred on it by sub-section (2) may, after consultation with the State Government, by notification in the official Gazette, declare that no prospecting licence or mining lease shall be granted in respect of any land specified in the notification.

DEVELOPMENT OF MINERALS

Mineral Development

18. (1) It shall be the duty of the Central Government to take all such steps as may be necessary for the conservation and development of minerals in India, and for that purpose the Central Government may, by notification in the Official Gazette, make such rules as it thinks fit.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the opening of new mines and the regulation of mining operations in any area;

(b) the regulation of the excavation or collection of minerals from any mine;

(c) the measures to be taken by owners of mines for the purpose of beneficiation of ores, including the provision of suitable contrivances for such purpose;

(d) the development of mineral resources in any area;

(e) the notification of all new borings and shaft sinkings and ⁵ the preservation of bore-hole records, and specimens of cores of all new bore-holes;

(f) the regulation of the arrangements for the storage of minerals and the stocks thereof that may be kept by any person;

(g) the submission of samples of minerals from any mine by ¹⁰ the owner thereof and the manner in which and the authority to which such samples shall be submitted; and the taking of samples of any minerals from any mine by the State Government or any other authority specified by it in that behalf; and

(h) the submission by owners of mines of such special or ¹⁵ periodical returns and reports as may be specified, and the form in which and the authority to which such returns and reports shall be submitted.

(3) All rules made under this section shall be binding on the Government.

20

MISCELLANEOUS

Prospecting
licences
and
mining leases
to be void if
in contra-
vention of
Act.

19. Any prospecting licence or mining lease granted, renewed or acquired in contravention of the provisions of this Act or any rules or orders made thereunder shall be void and of no effect.

Explanation.—Where a person has acquired more than one prospecting licence or mining lease in any State and the aggregate area covered by such licences or leases, as the case may be, exceeds the maximum area permissible under section 6, only that prospecting licence or mining lease the acquisition of which has resulted in such maximum area being exceeded shall be deemed to be void.

Act and
rules to
apply to
all renewals
of pros-
pecting
licences and
mining
leases.

20. The provisions of this Act and the rules made thereunder shall apply in relation to the renewal after the commencement of this Act of any prospecting licence or mining lease granted before such commencement as they apply in relation to the renewal of a prospecting licence or mining lease granted after such commencement.

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Penalties.

21. (1) Whoever contravenes the provisions of sub-section (1) of section 4 shall be punishable with imprisonment which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

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(2) Any rule made under any provision of this Act may provide that any contravention thereof shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both, and in the case of a continuing contravention, with an additional fine which may extend to one hundred rupees for every day during which such contravention continues after conviction for the first such contravention.

22. No court shall take cognizance of any offence punishable under this Act or any rules made thereunder except upon complaint in writing made by a person authorised in this behalf by the Central Government or the State Government.

23. (1) If the person committing an offence under this Act or any rules made thereunder is a company, every person who at the time the offence was committed was in charge of, and was responsible to the company for the conduct of the business of the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment, if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed with the consent or connivance of any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section,—

(a) "company" means any body corporate and includes a firm or other association of individuals;

(b) "director" in relation to a firm means a partner in the firm.

24. (1) For the purpose of ascertaining the position of the working, actual or prospective, of any mine or abandoned mine or for any other purpose connected with this Act or the rules made thereunder, any person authorised by the Central Government in this behalf, by general or special order, may—

(a) enter and inspect any mine;

(b) survey and take measurements in any such mine;

(c) weigh, measure or take measurements of the stocks of minerals lying at any mine;

Power of entry and inspection.

5 (d) examine any document, book, register, or record in the possession or power of any person having the control of, or connected with, any mine and place marks of identification thereon, and take extracts from or make copies of such document, book, register or record;

(e) order the production of any such document, book, register, record, as is referred to in clause (d); and

(f) examine any person having the control of, or connected with, any mine.

10 (2) Every person authorised by the Central Government under sub-section (1) shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code, and every person to whom an order or summons is issued by virtue of the powers conferred by clause (e) or clause (f) of that sub-section shall be legally bound to comply with such order or summons, as the case may be.

45 of 1860.

25. Any rent, royalty, tax, fee or other sum due to the Government under this Act or the rules made thereunder or under the terms and conditions of any prospecting licence or mining lease may, on a certificate of such officer as may be specified by the State Government in this behalf by general or special order, be recovered in the same manner as an arrear of land revenue.

26. (1) The Central Government may, by notification in the ^{Delegation of} Official Gazette, direct that any power exercisable by it under this powers. Act may, in relation to such matters and subject to such conditions, ²⁵ if any, as may be specified in the notification be exercisable also by—

- (a) such officer or authority subordinate to the Central Government; or
- (b) such State Government or such officer or authority subordinate to a State Government;

30 as may be specified in the notification.

(2) The State Government may, by notification in the Official Gazette, direct that any power exercisable by it under this Act may, in relation to such matters and subject to such conditions, if any, as may be specified in the notification, be exercisable also by such officer or authority subordinate to the State Government as may be specified in the notification.

(3) Any rules made by the Central Government under this Act may confer powers and impose duties or authorise the conferring of powers and imposition of duties upon any State Government or 40 any officer or authority subordinate thereto.

27. No suit, prosecution or other legal proceeding shall lie against any person for anything which is in good faith done or intended to be done under this Act.

Protection of action taken in good faith

28. (1) All rules made and notifications issued by the Central Government under this Act shall be laid for not less than thirty days before each House of Parliament as soon as may be after they are made or issued and shall be subject to such modifications as Parliament may make during the session in which they are so laid or the session immediately following.

Rules and notifications to be laid before Parliament and certain rules to be approved by Parliament.

10 (2) Without prejudice to the generality of the rule-making power vested in the Central Government, no rules made with reference to clause (c) of sub-section (2) of section 16 shall come into force until they have been approved, whether with or without modifications, by each House of Parliament.

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* * * *

53 of 1948

29. All rules made or purporting to have been made under the Mines and Minerals (Regulation and Development) Act, 1948, shall, in so far as they relate to matters for which provision is made in this Act and are not inconsistent therewith, be deemed to have been made under this Act as if this Act had been in force on the date on which such rules were made and shall continue in force unless and until they are superseded by any rules made under this Act.

Existing rules to continue.

30. The Central Government may, of its own motion or on application made within the prescribed time by an aggrieved party, revise any order made by a State Government or other authority in exercise of the powers conferred on it by or under this Act.

Power of revision of Central Government.

31. The Central Government may, if it is of opinion that in the interests of mineral development it is necessary so to do, by order in writing and for reasons to be recorded, authorise in any case the grant, renewal or transfer of any prospecting licence or mining lease, or the working of any mine for the purpose of searching for or winning any mineral, on terms and conditions different from those laid down in the rules made under section 13.

Relaxation of rules in special cases.

35 32. The Mines and Minerals (Regulation and Development) Act, 1948, shall be amended in the manner specified in the Third Schedule.

Amendments to Act 53 of 1948.

Validation of certain acts and index-
nity.

33. All acts of executive authority done, proceedings taken and sentences passed under the Mines and Minerals (Regulation and Development) Act, 1948, with respect to the regulation of mines and the development of minerals during the period commencing on the 26th day of January, 1950, and ending with the date of commencement of this Act by the Government or by any officer of the Government or by any other authority, in the belief or purported belief that the acts, proceedings or sentences were being done, taken or passed under the said Act, shall be as valid and operative as if they had been done, taken or passed in accordance ¹⁰ with law, and no suit or other legal proceeding shall be maintained or continued against any person whatsoever, on the ground that any such acts, proceedings or sentences were not done, taken or passed in accordance with law.

56 of 1948.

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THE FIRST SCHEDULE

[See sections 5 (2) (a), 7(2) and 8(2)]

SPECIFIED MINERALS

1. Apatite and phosphatic ores.
- 5 2. Beryl.
3. Chrome ore.
4. Coal and lignite.
5. Columbite, samarskite and other minerals of the "rare earth?" group.
- 10 6. Copper.
7. Gold.
8. Cypsum.
9. Iron ore.
10. Lead.
- 15 11. Manganese ore.
12. Molybdenum.
- 13 Nickel ores.
14. Platinum and other precious metals and their ores.
15. Pitchblende and other uranium ores.
- 20 16. Precious stones.
17. Rutile.
18. Silver.
19. Sulphur and its ores.
20. Tin.
- 25 21. Tungsten ores.
22. Uraniferous allanite, monazite and other thorium minerals.
23. Uranium bearing tailings left over from ores after extraction of copper and gold, ilmenite and other titanium ores.
24. Vanadium ores.
25. Zinc.
26. Zircon

THE SECOND SCHEDULE

(See section 9)

RATES OF ROYALTY

1. Coal Five per cent. of f.o.r. price subject to a minimum of fifty *naye paise* 5 per ton.

2. Mica—

Either

(a) Crude mica One rupee per maund.

(b) Trimmed mica, all qualities other than heavy stained, dense stained and spotted. Three rupees per maund. 10

(c) Trimmed mica other than that specified in item (b). One rupee and fifty *naye paise* per maund.

(d) Waste and scrap mica Twelve *naye paise* per maund. 15

Or

Six-and-a-quarter per cent. of the sale price of mica at the pit's mouth, at the option of the lessor.

3. Gold, silver, platinum and other precious metals and their ores, copper, lead and zinc ores. Six-and-a-quarter per cent. of the sale price at the pit's mouth. 20

4. Iron—

(a) Used for extraction of iron within the country. Five per cent. of the sale price at the pit's mouth subject to a minimum of fifty *naye paise* per ton. 25

(b) Used for other purposes Five per cent. of the sale price at the pit's mouth subject to a minimum of one rupee per ton.

5. Precious stones ■ Twenty per cent. of the sale price at 30 pit's mouth.

Explanation.—For the purpose of this item, "price" means the price of "raw, uncut stone", that is to say, stone from which adhering rock, soil and mud have been removed by washing or any other simple means, but which has not been subjected to any other process.

6. Manganese—

(a) Manganese dioxide . . . Fifteen per cent. of the sale price at the pit's mouth subject to a minimum of three rupees per ton.

Manganese ore—

(i) High grade (Forty-five per cent. Mn. and over). Twelve-and-a-half per cent. of the sale price at the pit's mouth subject to a minimum of two rupees per ton.

(ii) Low grade (below Forty-five per cent. Mn.). Ten per cent. of the sale price at the pit's mouth subject to a minimum of one rupee per ton.

7. Chromite—

(a) Forty-five per cent. Cr_2O_3 and above. Ten per cent. of the sale price 15 at the pit's mouth subject to a minimum of two rupees and twenty-five *naye paisa* per ton.

(b) Less than Forty-five per cent. Cr_2O_3 . Seven-and-a-half per cent. of the 20 sale price at the pit's mouth subject to a minimum of one rupee and twelve *naye paisa* per ton.

8. Limestone

Five per cent. of the sale price 25 at the pit's mouth subject to a minimum of thirty-seven *naye paisa* per ton.

9. Dolomite

Five per cent. of the sale price 30 at the pit's mouth subject to a minimum of twenty-five *naye paisa* per ton.

10. Graphite

Ten per cent. of the sale price at the pit's mouth.

11. China Clay

Seven-and-a-half per cent. of 35 the sale price at the pit's mouth.

12. Kyanite

Ten per cent. of the sale price at the pit's mouth subject to a minimum of five rupees 40 per ton.

* * * * *

13. Gypsum Twelve-and-a-half per cent. of the sale price at the pit's mouth subject to a minimum 45 of one rupee per ton.

14. All other minerals not hereinbefore specified. Five per cent. of the sale price at the pit's mouth

THE THIRD SCHEDULE

(See section 32)

AMENDMENTS TO THE MINES AND MINERALS (REGULATION
AND DEVELOPMENT) ACT, 1948

5. 1. In the long title, omit the words "mines and", and for the word "minerals", substitute "mineral oil resources".

2. In the preamble, omit the words "mines and" and the words "to the extent hereinafter specified", and for the word "minerals", substitute "mineral oil resources".

10. 3. In section 1,—

(i) in sub-section (1), for the words "Mines and Minerals", substitute "Oilfields"; and

(ii) in sub-section (2), omit the words "except the State of Jammu and Kashmir".

15. 4. Omit section 2.

5. In section 3, in clauses (c) and (d), for the word "minerals", substitute "mineral oils".

6. In section 5,—

(i) in sub-section (1), for the word "mineral" substitute "mineral oil"; and

20. (ii) in sub-section (2), in clause (d), for the word "minerals", substitute "mineral oils".

7. In section 6,—

(i) in sub-section (1), for the word "minerals", substitute "mineral oils";

25. (ii) in sub-section (2), omit clauses (a) and (b) and in clause (c), for the words "mineral resources", substitute "mineral oil resources"; and

(iii) in clauses (h) and (i), for the word "minerals", substitute "mineral oils".

M. N. KAUL,
Secretary.